

State of Alaska
Department of Natural Resources
Joint Pipeline Office

AMENDMENT OF RIGHT-OF-WAY LEASE
FOR NIKISKI ALASKA PIPELINE
ADL 69354

This AMENDMENT is made and entered into the 28th day of July, 2004 by and between the State of Alaska, State Pipeline Coordinator, whose mailing address is 411 West 4th Avenue, Suite 2C, Anchorage, Alaska 99501-2343, and Tesoro Alaska Pipeline Company (hereinafter referred to as LESSEE), whose mailing address is P.O. Box 196272, Anchorage, Alaska 99519-6272.

WHEREAS, the LESSEE entered into the RIGHT-OF WAY LEASE FOR NIKISKI ALASKA PIPELINE with the Department of Natural Resources on January 30, 1976, as amended, and originally recorded in the Anchorage Recording District on April 19, 1976 in Book 94, Pages 685-733 and in the Kenai Recording District on April 27, 1976 in Book 94, Pages 652-700.

WHEREAS, the LESSEE requested amendment of the RIGHT-OF WAY LEASE FOR NIKISKI ALASKA PIPELINE in accordance with Chapter 138 of the Session Laws of 1977, as amended by Chapter 182 of the Session Laws of 1978. This amendment was approved on February 18, 1979 and allowed for the conversion of the lease. All other terms and conditions of the lease agreement were not affected by the amendment, and remained in full force and effect

WHEREAS, the LESSEE requested amendment of the RIGHT-OF-WAY LEASE FOR NIKISKI ALASKA PIPELINE to change the name of the Lessee from Nikiski Alaska Pipeline Company to Tesoro Alaska Pipeline Company. This amendment was approved on September 21, 1984. All other terms and conditions of the lease agreement were not affected by the amendment, and remained in full force and effect.

WHEREAS, Section 2.a of the existing RIGHT-OF WAY LEASE FOR NIKISKI ALASKA PIPELINE, as amended, reads as follows:

- 2.a. The grant hereby made of the Right-of-Way shall come to an end and expire on the 30th day of January, 20016, at 12 noon, (Alaska Standard Time) unless prior thereto it is released, abandoned, or otherwise terminated pursuant to the provisions of this Lease or of any applicable law or regulation.

NOW, therefore, the parties agree that Section 2.a. of the RIGHT-OF WAY LEASE FOR NIKISKI ALASKA PIPELINE is amended as follows:

- 2.a. The grant of the Right-of-Way as originally issued began on the 30th day of January, 1976, shall come to an end and expire on the 29th day of January, 2031, at 12 noon (Alaska Standard Time), unless prior thereto it is released, abandoned, or otherwise terminated pursuant to the provisions of this lease or of any applicable law or regulation.

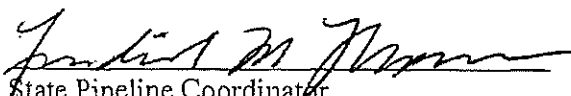
Except as expressly amended hereby all terms, covenants and conditions of the RIGHT-OF WAY LEASE FOR NIKISKI ALASKA PIPELINE shall remain in full force and effect.

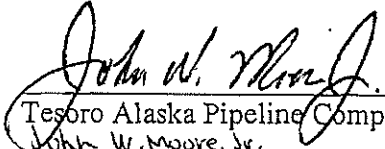
The parties shall take such reasonable actions, and execute and deliver any further instruments, agreements, documents, or other papers, as are reasonably requested by either party to effect the purposes of this AMENDMENT.

IN WITNESS WHEREOF, the parties have executed this AMENDMENT as of the date first above written.

STATE OF ALASKA

TESORO ALASKA PIPELINE
COMPANY

Permy

State Pipeline Coordinator
Department of Natural Resources


Tesoro Alaska Pipeline Company
John W. Moore, Jr.
Vice President, Pipelines & Terminals

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 28th day of July, 2004, before me appeared, Michael Thompson the State Pipeline Coordinator of the Joint Pipeline Office, Department of Natural Resources, State of Alaska, who executed the foregoing AMENDMENT OF RIGHT-OF-WAY LEASE FOR NIKISKI ALASKA PIPELINE and acknowledged voluntarily signing the same.

@ J. Worden Van Slyke
Notary Public in and for the State of Alaska
My Commission Expires 6/23/07

STATE OF COLORADO)
) ss.
COUNTY of DENVER)

THIS IS TO CERTIFY that on this 8th day of July, 2004, before me appeared John W. Moore, Jr. the Vice President, Pipelines & Terminals of TESORO ALASKA PIPELINE COMPANY who executed the foregoing AMENDMENT OF RIGHT-OF-WAY LEASE FOR NIKISKI ALASKA PIPELINE and acknowledged voluntarily signing the same on behalf of said company.

Joy R. F. F. F.
Notary Public in and for the State of Colorado
My Commission Expires 2-17-06